

**EXHIBIT JJ TO
CISNEROS DECLARATION
REDACTED VERSION**

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE)
ANTITRUST LITIGATION)
) No. 11-CV-2509-LHK
THIS DOCUMENT RELATES TO:)
ALL ACTIONS.)
_____)

CONFIDENTIAL - ATTORNEYS' EYES ONLY
VIDEO DEPOSITION OF PAUL OTELLINI
January 29, 2013

REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR

09:25:33 1 A. No.

09:25:35 2 Q. And did you ever take away notes from any of
09:25:39 3 the Google board meetings?

09:25:40 4 A. No.

09:25:41 5 Q. And in preparation for any of the Google board
09:25:45 6 meetings or subcommittees of the Google board, did you
09:25:47 7 ever make notes or make any kind of other written
09:25:51 8 record?

09:25:52 9 A. Well, as I said earlier, I would make --
09:25:54 10 particularly in the LDCC book -- I would make notes and
09:25:58 11 questions to ask when I got to the meeting.

09:26:01 12 Q. And you've not kept any of those; is that
09:26:03 13 correct?

09:26:03 14 A. No. Yes, that's correct.

09:26:07 15 Q. Who told you not to keep any records?

09:26:09 16 MR. PICKETT: Objection. No foundation.

09:26:11 17 MR. SAVERI: Q. Did anybody tell you not
09:26:12 18 to keep them?

09:26:14 19 A. No.

09:26:24 20 Q. During the time -- or during -- well, strike
09:26:27 21 that.

09:26:30 22 At any meeting of the Google board or the LDCC,
09:26:36 23 or any communications with any of its members
09:26:40 24 surrounding the functions of those groups, did you ever
09:26:44 25 discuss how or in what amounts Intel compensated its

09:26:53 1 employees?

09:26:56 2 MR. PICKETT: Can you read that back? It's a
09:26:57 3 little long.

09:26:58 4 THE WITNESS: Could you please. Yeah.

09:27:13 5 (Record read as follows: At any meeting of the
09:27:13 6 Google board or the LDCC, or any communications
09:27:13 7 with any of its members surrounding the
09:27:13 8 functions of those groups, did you ever discuss
09:27:13 9 how or in what amounts Intel compensated its
09:27:13 10 employees?)

09:27:16 11 THE WITNESS: Generally, no. I can remember
09:27:18 12 one specific instance where I liked Intel's format for
09:27:23 13 how we looked at our vice president and above
09:27:27 14 compensation and sent that to them and said could we
09:27:29 15 see -- could I see the Google information in a similar
09:27:32 16 format.

09:27:33 17 MR. SAVERI: Q. So other than that one
09:27:38 18 occasion, you don't recall ever sharing or
09:27:42 19 communicating information regarding how Intel
09:27:46 20 compensated or paid its employees with the Google
09:27:49 21 board or its subcommittees?

09:27:51 22 A. We may have had a conversation if it was, you
09:27:53 23 know, what's -- how do you handle meritocracy, how do
09:28:00 24 you handle equity versus bonuses, those kind of -- at
09:28:02 25 the philosophical level. I know that -- at least Intel

09:28:06 1 participates in giving its comp data to an organization
09:28:13 2 which anonymizes it for industry surveys.

09:28:17 3 Q. So just focusing on that last piece, those are
09:28:20 4 third-party survey companies, correct?

09:28:22 5 A. Yes, they are.

09:28:23 6 Q. And in connection with those -- strike that.

09:28:31 7 Does Intel provide information to those survey
09:28:33 8 companies?

09:28:34 9 A. I believe we do.

09:28:35 10 Q. And does Intel also subscribe to the surveys
09:28:37 11 that those survey companies prepare?

09:28:40 12 A. I would assume so but you need to ask the HR
09:28:42 13 folks.

09:28:42 14 Q. When you say "the HR folks," who -- are there
09:28:45 15 particular people --

09:28:46 16 A. You could start with Richard Taylor who is our
09:28:49 17 senior VP and director of HR.

09:28:51 18 Q. Do you have the names of any of those survey
09:28:53 19 companies in mind?

09:28:54 20 A. No.

09:28:55 21 Q. So other than the surveys, and I guess what you
09:29:07 22 characterize as a philosophical discussion, I think you
09:29:10 23 identified at least one occasion where you provided more
09:29:14 24 specific information to Google board members regarding
09:29:18 25 Intel's compensation structure; is that correct?

09:29:22 1 A. I sent a table over that talked about how our
09:29:28 2 various VPs are compensated relative -- I think it was
09:29:32 3 equity areas -- I wanted to see the amount in dollars
09:29:35 4 versus share units. And Google was showing them in
09:29:37 5 share units at the time, so it was difficult to
09:29:40 6 calculate how much Google was proposing to pay different
09:29:44 7 levels of their vice presidents.

09:29:46 8 Q. And so where did you get the information from
09:29:49 9 Intel?

09:29:50 10 A. From reports that I had seen at Intel.

09:29:52 11 Q. And how did you send it to the Google people?

09:29:55 12 A. I don't know if I handed it to her, to Shona,
09:29:57 13 or mailed it to her or Laszlo. It was a long time ago.

09:30:09 14 Q. In your role, with respect to the Google board
09:30:15 15 or the LDCC, did you ever see or receive similar
09:30:20 16 information from other companies other than Google?

09:30:25 17 A. Oh, no. Not that I know of. I mean, they
09:30:27 18 would have their version of market. And they would talk
09:30:32 19 about market, but I assumed it came from third-party
09:30:36 20 data sources.

09:30:36 21 Q. So I guess what I'm trying to figure out is, I
09:30:39 22 understand that you sent around or -- I don't want to
09:30:45 23 put words in your mouth. You transmitted, in some
09:30:48 24 fashion to Shona Brown, some information about Intel's
09:30:52 25 system?

09:30:52 1 MR. PICKETT: You mean in that one instance?

09:30:54 2 MR. SAVERI: Q. Yes.

09:30:55 3 A. Yeah, but it's not confidential information.

09:30:57 4 Q. So I guess I'm curious. Did you -- was that
09:31:00 5 information circulated to other participants in the LDCC
09:31:05 6 or other board members?

09:31:06 7 A. I think it was actually published in the book.
09:31:09 8 Because they responded to -- or I can't remember if it
09:31:11 9 was in the book or what. But they did respond to my
09:31:14 10 request by changing their format so I could see the
09:31:19 11 Google officers' compensation ranges in a format that I
09:31:24 12 was comfortable with.

09:31:26 13 Q. Did Mr. Levinson who was at Genentech at the
09:31:30 14 time, or Mr. Campbell who was at Intuit at the time,
09:31:32 15 ever provide similar information from their companies
09:31:35 16 that you saw?

09:31:36 17 A. Not that I'm aware of.

09:31:38 18 Q. Now, in connection with your role at Google,
09:31:41 19 were you asked, from time to time, to approve increased
09:31:46 20 compensation to deal with competitive threats from other
09:31:50 21 companies that sought to hire Google employees?

09:31:53 22 A. Yes.

09:31:55 23 Q. Could you describe generally what the -- what
09:31:59 24 the problem was or when you had to do that?

09:32:03 25 A. Well, specifically there was a threshold above

09:32:07 1 which [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED] it

09:32:25 5 came to us. So something in that range.

09:32:28 6 Q. Well, did -- is it fair to say that Google
09:32:45 7 sought to raise compensation to its employees in those
09:32:51 8 circumstances in order to retain them?

09:32:55 9 A. [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

09:33:16 16 yourself, didn't you?

09:33:17 17 A. [REDACTED]

09:33:19 18 Q. But you were asked to vote, correct?

09:33:21 19 A. Yes.

09:33:22 20 Q. And you voted yourself, right?

09:33:24 21 A. Yes.

09:33:25 22 Q. And you made up your own mind with respect to
09:33:27 23 that vote, right?

09:33:27 24 A. Yes.

09:33:28 25 Q. And when you approved it, generally, could you

09:33:30 1 describe for me why you thought it was in Google's
09:33:33 2 interest to approve it?

09:33:34 3 A. Well, usually they were, you know, [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

09:34:07 13 The art of how algorithms work and so forth in

09:34:11 14 search is very arcane. And that knowledge base of how

09:34:15 15 the company operated, you know, on a -- is a very

09:34:19 16 competitive, I think, trade secret that they would want

09:34:22 17 to retain. So the argument was always [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

09:34:37 22 Q. Fair enough. But is it fair to say that all

09:34:40 23 the people -- well, is it fair to say that the

09:34:47 24 counteroffers that you were asked to approve weren't

09:34:51 25 limited to engineers or people who were working on

09:57:13 1 MR. SAVERI: Yes. Sorry about that.

09:57:18 2 Q. Are you aware that Intel had agreements with
09:57:21 3 certain other companies that limited the ability of the
09:57:25 4 parties to those agreements to recruit each other's
09:57:30 5 employees?

09:57:31 6 A. Well, I was not aware of it at the time. I
09:57:33 7 became aware that we had a list of companies as part of
09:57:36 8 the prep for this deposition.

09:57:38 9 Q. Okay. And prior to the prep for the
09:57:41 10 deposition, just so I'm clear, you weren't aware of
09:57:43 11 that?

09:57:44 12 A. No.

09:57:49 13 MR. PICKETT: Meaning -- your double
09:57:51 14 negatives --

09:57:52 15 MR. SAVERI: Okay. Let me ask a better
09:57:54 16 question.

09:57:55 17 MR. PICKETT: -- require some clarification.

09:57:56 18 MR. SAVERI: Fair enough. And I'll try again.

09:57:59 19 Q. Before the prep -- and when you said the prep,
09:58:02 20 I'm assuming you are talking about the preparation for
09:58:04 21 the deposition today, correct?

09:58:05 22 A. And the whole trial. You know, the Consent
09:58:08 23 Decree stuff.

09:58:09 24 Q. Okay. Before that preparation, were you aware
09:58:14 25 that Intel had agreements with certain other companies

09:58:18 1 that limited the ability of Intel and the other
09:58:25 2 companies to recruit each other's employees?

09:58:31 3 A. No. But I think that what I did learn was it
09:58:33 4 wasn't a limiting on recruiting or limiting on hiring,
09:58:37 5 it was a -- it was a don't solicit, as I understand it.
09:58:42 6 But I wasn't involved in creating it.

09:58:44 7 Q. And I was using recruiting broadly, but fair
09:58:47 8 enough. I appreciate the clarification.

09:58:50 9 Now, did -- did Intel have an agreement with
09:59:01 10 Google not to recruit each other's employees in any
09:59:07 11 fashion?

09:59:09 12 A. Well, I have subsequently learned that Intel
09:59:14 13 had an agreement -- Intel had a practice to not go after
09:59:19 14 Google people, which I wasn't aware of. And, you know,
09:59:23 15 there are instances of Google trying to hire key Intel
09:59:28 16 engineers that I did talk to Eric about, which I'm sure
09:59:30 17 we're going to talk about.

09:59:41 18 Q. Do you believe that the agreement that you just
09:59:44 19 identified with Google was consistent with the code
09:59:47 20 of -- with the Intel code of conduct that we just went
09:59:51 21 over?

09:59:52 22 A. Which agreement?

09:59:52 23 MR. PICKETT: I think you misspoke, or at least
09:59:54 24 you ought to look back at the answer.

09:59:59 25 MR. SAVERI: Q. Well, let me go back to

10:00:00 1 that. Now, do you know -- strike that.

10:00:08 2 Are you aware that Intel had an agreement with
10:00:11 3 Pixar that limited the ability of Intel and Pixar to
10:00:19 4 recruit each other's employees?

10:00:20 5 A. I have no knowledge of that directly.

10:00:23 6 Q. When you say you don't have any knowledge of
10:00:24 7 that directly, what do you mean by that?

10:00:26 8 A. Well, I mean I heard their name on a list of
10:00:30 9 companies as part of the prep for this.

10:00:31 10 Q. Okay.

10:00:32 11 MR. PICKETT: And I'd advise that any
10:00:34 12 information obviously coming through the attorney is off
10:00:38 13 grounds.

10:00:39 14 MR. SAVERI: That's fair.

10:00:39 15 Q. And I just -- I just wanted to know when you
10:00:43 16 said directly what you meant by that.

10:00:45 17 Now, are you aware that Intel had an agreement
10:00:50 18 with Apple that limited the ability of Intel and Apple
10:00:56 19 to recruit each other's employees?

10:00:58 20 A. Same answer. No.

10:01:09 21 Q. Are you aware that Intel had an agreement with
10:01:12 22 Sun Microsystem that limited the ability of Intel and
10:01:16 23 Sun Microsystem to recruit each other's employees?

10:01:19 24 A. I don't know if they're -- someone mentioned
10:01:21 25 this list to me as part of the prep. I don't remember

11:04:32 1 Q. Okay. At any point in time between the time
11:04:47 2 you became the Intel CEO and today, did you become aware
11:04:52 3 that there was a -- an agreement of the type set forth
11:04:55 4 here between Apple and Adobe?

11:04:58 5 A. No.

11:05:01 6 Q. Did you -- during that time period, did you
11:05:03 7 ever become aware that there was an agreement of the
11:05:06 8 type described here between Apple and Pixar?

11:05:08 9 A. No.

11:05:11 10 Q. During that period of time, did you ever become
11:05:13 11 aware that there was an agreement of the type described
11:05:15 12 here between Google and Intuit?

11:05:17 13 A. No.

11:05:18 14 Q. Okay. Was the subject of the agreement between
11:05:21 15 Google and Intuit ever discussed at a Google board
11:05:24 16 meeting that you attended?

11:05:25 17 A. No.

11:05:26 18 Q. Or any subcommittee of a Google board?

11:05:30 19 A. No.

11:05:30 20 Q. Was it ever discussed between you and any
11:05:32 21 executive or employee of Google, including Mr. Schmidt,
11:05:35 22 Mr. Page, or Sergey Brin?

11:05:38 23 A. This is Google-Intuit, right?

11:05:40 24 Q. Yes.

11:05:41 25 A. No.

11:05:41 1 Q. Did you ever discuss this -- the subject at all
11:05:45 2 with Mr. Campbell? Mr. Bill Campbell?
11:05:49 3 A. No.
11:06:05 4 Q. Did you know Steve Jobs?
11:06:06 5 A. Yes.
11:06:09 6 Q. How frequently did you talk to Mr. Jobs while
11:06:12 7 you were the CEO of Intel?
11:06:14 8 A. It would depend on, you know, whether we were
11:06:19 9 deeply engaged in projects or not. But certainly no
11:06:21 10 less than once a quarter.
11:06:23 11 Q. Okay. I mean, would you characterize your
11:06:27 12 communications with Mr. Jobs as frequent?
11:06:30 13 A. Again, it depends on whether we were working on
11:06:33 14 something directly or just having ongoing business.
11:06:35 15 Q. You said that you -- I think you said just a
11:06:38 16 second ago that you spoke with Mr. Jobs at least once a
11:06:41 17 quarter?
11:06:41 18 A. Yes.
11:06:42 19 Q. Were there times when you spoke with him more
11:06:43 20 frequently?
11:06:45 21 A. Certainly.
11:06:47 22 Q. And can you generally describe for me why you
11:06:50 23 would -- why you spoke to Mr. Jobs more frequently?
11:06:53 24 A. Well, if we were engaging -- obviously when the
11:06:56 25 initial Apple-Google -- too many companies here.

11:07:01 1 Apple-Intel --

11:07:01 2 Q. Sir, I'm glad you did it. I thought it was
11:07:04 3 only me.

11:07:05 4 A. When the original Apple-Intel design win
11:07:08 5 happened, I was with Steve for several months, you know,
11:07:11 6 several times a week over several months for working on
11:07:16 7 the agreement. And then we went into implementation
11:07:19 8 mode and we managed the business and, you know, on a
11:07:21 9 quarterly basis with executive meetings.

11:07:24 10 Q. During that period of time when you were
11:07:26 11 speaking more frequently with Mr. Jobs, did you discuss
11:07:28 12 the subject of recruiting or soliciting each other's
11:07:36 13 employees?

11:07:37 14 A. No.

11:07:37 15 Q. The subject never came up?

11:07:39 16 A. No.

11:07:39 17 Q. Did he ever tell you at any time that he had
11:07:42 18 reached agreements with executives at other technology
11:07:46 19 companies not to recruit each other's employees?

11:07:48 20 A. No.

11:08:08 21 Q. Now, going back for a second, again, to the
11:08:11 22 agreement between you and Mr. Schmidt, can you identify
11:08:15 23 any collaboration between Intel and Google that occurred
11:08:20 24 after that point in time that wouldn't have happened
11:08:23 25 absent the agreement between Google and Intel?

11:08:30 1 MR. PICKETT: No foundation. Objection.

11:08:33 2 THE WITNESS: Does that mean I answer?

11:08:34 3 MR. PICKETT: You can try. But let's read the
11:08:36 4 question back.

11:08:37 5 MR. SAVERI: I'm sorry. Why don't you read the
11:08:39 6 question back.

11:08:39 7 And I'd like an answer, please.

11:08:56 8 (Record read as follows: Now, going back for a
11:08:56 9 second again to the agreement between you and
11:08:56 10 Mr. Schmidt, can you identify any collaboration
11:08:56 11 between Intel and Google that occurred after
11:08:56 12 that point in time that wouldn't have happened
11:08:56 13 absent the agreement between Google and Intel?)

11:08:58 14 THE WITNESS: As I think about the agreements,
11:09:02 15 so the collaboration, we had one in the data center, we
11:09:05 16 had one in data center efficiency, we had one in search
11:09:11 17 optimization, we had one around Google TV, we had one
11:09:15 18 around Android, one around Chrome, Chrome OS. All of
11:09:23 19 those -- all of those happened. It's speculative to say
11:09:28 20 I don't know that anything would not have happened in
11:09:30 21 the absence of the agreement.

11:09:33 22 But, you know, the companies were working well
11:09:36 23 together and were engaged broadly in a wide array of
11:09:43 24 projects as I delineated.

11:09:44 25 MR. SAVERI: Q. Now, prior to 2006 when

11:09:47 1 you entered the agreement with Mr. Schmidt, had --
11:09:50 2 or strike that.

11:09:53 3 Prior to the time that you had reached the
11:09:55 4 agreement with Mr. Schmidt in 2006, had Google and Intel
11:10:00 5 collaborated on certain projects?

11:10:03 6 A. Well, we -- I can't remember when the data
11:10:06 7 center optimization work started, which is what led to
11:10:10 8 the first instance. It may have been in 2005, but I
11:10:15 9 doubt in the 2003-04 time frame that it existed.
11:10:20 10 Nothing that I can recall before, say, late '05.

11:10:25 11 Q. And just so I'm clear about your testimony, was
11:10:28 12 the first collaboration, then, this data center in late
11:10:32 13 2005? When I say collaboration, I mean collaboration
11:10:35 14 between Intel and Google.

11:10:36 15 A. Obviously Google was using Intel parts for
11:10:39 16 their data centers. Intel was designing the -- designed
11:10:43 17 boards for the data centers in the early days for them
11:10:45 18 and before the IPO. I don't know that we had on-site
11:10:54 19 engineers, which is really what the genesis of the
11:10:57 20 original incident was.

11:11:00 21 Q. Now, you said in your answer a few minutes ago
11:11:03 22 that you had a collaboration -- when I say you, I'm
11:11:06 23 saying -- I mean Intel. That you said that Intel had a
11:11:10 24 collaboration between Google and Intel regarding search
11:11:14 25 optimization; do you recall that?

11:11:15 1 A. Yes.

11:11:16 2 Q. When did that collaboration begin?

11:11:20 3 A. It was certainly in effect in early '06. I
11:11:22 4 can't give you the time when it began. And that was
11:11:25 5 around tuning -- helping them tune their software to run
11:11:30 6 faster on the new generation of Intel chips.

11:11:38 7 Q. In terms of Intel's structure, who was the
11:11:42 8 person at Intel that was responsible for that search
11:11:46 9 optimization collaboration?

11:11:49 10 A. Well, the work involved Intel experts in
11:11:52 11 microprocessor architecture, in compilers and in
11:11:57 12 optimization tools. And those activities at that time
11:12:05 13 spanned a number of Intel executives.

11:12:08 14 Q. Can you identify the one or two or three
11:12:11 15 people?

11:12:12 16 A. Well, on the processor architecture it would
11:12:18 17 have been under Pat Gelsinger. Under the compilers it
11:12:23 18 would have been Richard Wirt. And under the -- and the
11:12:30 19 tools, I think were under Renee James at the time.

11:12:34 20 Q. Now, you also mentioned a collaboration between
11:12:38 21 Google and Intel regarding Google TV, I believe; is that
11:12:42 22 correct?

11:12:42 23 A. Yes, I did.

11:12:43 24 Q. And when did that collaboration begin?

11:12:53 25 A. I can't give you -- Google TV was launched, I

11:12:56 1 think, in 2010. So probably began a year before that.

11:13:07 2 Q. And who, at Intel, was responsible for that
11:13:10 3 collaboration?

11:13:14 4 A. It was under a gentleman who is no longer with
11:13:16 5 us named Eric Kim.

11:13:19 6 Q. And how long did that collaboration last?

11:13:23 7 A. Probably two years.

11:13:26 8 Q. And you also mentioned that there was
11:13:29 9 collaboration about -- around Android, Chrome,
11:13:34 10 Chrome OS. Do you recall --

11:13:37 11 A. Three separate topics.

11:13:38 12 Q. And that was my question. When did the
11:13:40 13 collaboration around Android begin?

11:13:43 14 A. Several years ago.

11:13:45 15 Q. Was it before or after the agreement with
11:13:47 16 Mr. Schmidt?

11:13:49 17 A. Several years ago, so....

11:13:53 18 Q. Who at Intel was responsible for that
11:13:55 19 collaboration?

11:13:56 20 A. I'm sorry, which one are we talking about now?

11:13:59 21 Q. I'm sorry. The Android.

11:14:01 22 A. Android would be under Renee James.

11:14:03 23 Q. You also mentioned, I think the second, was a
11:14:05 24 collaboration regarding Chrome; do you recall that?

11:14:09 25 A. Chrome browser, yes. Under Renee as well.

11:14:11 1 Q. When did that begin? That collaboration?

11:14:13 2 A. Before the Android one so maybe four years ago.

11:14:16 3 Q. And you also mentioned Chrome OS, which is a

11:14:19 4 different one than the Chrome browser, correct?

11:14:21 5 A. Right. It's an operating system.

11:14:23 6 Q. Right.

11:14:24 7 A. And that was -- it would also be under Renee,

11:14:25 8 and that was probably in the last two or three years as

11:14:29 9 well.

11:14:29 10 MR. SAVERI: Okay. So it's -- can we go off

11:14:35 11 the record for a second?

11:14:38 12 THE VIDEOGRAPHER: This is the end of video

11:14:39 13 No. 1. We are now off the record at 11:14.

11:14:50 14 (Recess taken.)

11:16:59 15 THE VIDEOGRAPHER: We are now on the record at

11:29:09 16 11:29. This is the beginning of video No. 2.

11:29:14 17 MR. SAVERI: Q. Going back for a second to

11:29:16 18 your first communication with Mr. Schmidt about the

11:29:20 19 agreement that we've been talking about. Was there

11:29:24 20 someone at Intel who told you that Google was

11:29:29 21 recruiting Intel employees that caused you to call

11:29:33 22 Mr. Schmidt?

11:29:33 23 A. Yes.

11:29:34 24 Q. And who was that?

11:29:36 25 A. It was either Richard Wirt or Renee. I can't

11:41:48 1 time.

11:41:49 2 Q. And that's the same Diane Green who later
11:41:52 3 served on the Google board; is that correct?

11:41:53 4 A. Yes, it is.

11:41:56 5 Q. At the time of your communication with
11:41:59 6 Ms. James about the subject, was Ms. Green the CEO of
11:42:04 7 VMwear?

11:42:04 8 A. Yes, she was.

11:42:08 9 Q. And was that prior to when EMC acquired VMwear?
11:42:17 10 Do you recall?

11:42:18 11 A. I'd have to go back and look. I don't know.

11:42:20 12 Q. Okay.

11:42:27 13 A. I also have no knowledge of whether Renee ever
11:42:29 14 talked to Diane, so....

11:42:32 15 Q. That was going to be --

11:42:33 16 A. I don't know what ever happened to that.

11:42:35 17 Q. Let me just follow up on that. It's your
11:42:37 18 recollection that you asked Renee James to discuss the
11:42:43 19 subject of an agreement with Diane Green at VMwear,
11:42:48 20 correct?

11:42:49 21 A. I think I said perhaps we should have a
11:42:51 22 no-poach kind of thing here on people that -- implicit
11:42:56 23 in that was we're working together on this stuff.

11:42:59 24 Q. So my question, though, is to figure out where
11:43:04 25 that --

11:43:04 1 A. What became of it.

11:43:05 2 Q. -- where that went.

11:43:06 3 A. I have no idea. I never followed up. I don't
11:43:08 4 remember ever hearing of losing people to VMware, so
11:43:11 5 perhaps it never happened. Who knows.

11:43:13 6 Q. So let me break it up into pieces. Do you know
11:43:16 7 if Ms. James ever contacted Ms. Green about that
11:43:18 8 subject?

11:43:19 9 A. I don't know.

11:43:20 10 Q. And do you -- did Ms. James ever tell you
11:43:23 11 whether or not she had spoken or communicated with
11:43:26 12 Ms. Green about that subject one way or the other?

11:43:28 13 A. No.

11:43:30 14 Q. As you sit here today, you have no knowledge
11:43:32 15 one way or another whether Ms. Green or Ms. James ever
11:43:36 16 discussed that subject?

11:43:37 17 A. No, I don't.

11:43:39 18 Q. Okay. Did Intel continue to collaborate with
11:43:51 19 EMC after it acquired VMware?

11:43:56 20 A. Oh, yes.

11:43:57 21 Q. Okay. Now, does Intel, or has Intel,
11:44:10 22 collaborated with Microsoft during the time that you've
11:44:15 23 been CEO of Intel?

11:44:16 24 A. Yes.

11:44:23 25 Q. On what subjects or products has Intel

11:44:26 1 communicated with -- collaborated with Microsoft?

11:44:29 2 A. Virtually everything we do and everything they
11:44:31 3 do. I mean the -- you know, most of our chips run
11:44:37 4 Microsoft software somewhere along the way.

11:44:42 5 Q. Did you ever approach Microsoft about an
11:44:47 6 agreement or an understanding with them not to solicit
11:44:52 7 each other's employees?

11:44:54 8 A. No.

11:44:58 9 Q. Has Intel historically solicited employees from
11:45:02 10 Microsoft?

11:45:07 11 A. There are some people who work for Intel that
11:45:09 12 used to work at Microsoft. I don't know how they
11:45:11 13 came -- how they came here.

11:45:14 14 Q. And is the reverse true? Are there people that
11:45:18 15 work at Microsoft that left Intel to go to work at
11:45:21 16 Microsoft?

11:45:21 17 A. I don't know. But if you did a venn diagram,
11:45:24 18 we're mostly chip people. They're not a chip company,
11:45:27 19 so the intersection is really small.

11:45:30 20 Q. And with that understanding, I'm just asking
11:45:33 21 the question whether you are aware whether people have
11:45:35 22 gone from Intel to Microsoft.

11:45:37 23 A. I know, I think, of one person that has gone
11:45:40 24 from -- but there is probably others.

11:45:45 25 Q. Is it fair to say that Intel has collaborated

11:45:48 1 with a number of companies during the time that you've
11:45:50 2 been the CEO of Intel?

11:45:52 3 A. Yes.

11:45:54 4 Q. Does Intel have no-solicitation agreements with
11:45:56 5 any of them to the best of your knowledge, other than
11:46:00 6 the agreements or companies that we've talked about so
11:46:04 7 far?

11:46:04 8 MR. PICKETT: Objection. Vague. You've talked
11:46:07 9 about lots of companies. There has been a lot of
11:46:08 10 testimony there is no agreements whatever, so it's
11:46:12 11 hopelessly ambiguous.

11:46:14 12 THE WITNESS: The only agreement I know of with
11:46:16 13 any company was the one I described with Eric at Google.

11:47:13 14 MR. SAVERI: Q. At any time from, I guess,
11:47:17 15 2006 when you reached the agreement with Mr. Schmidt
11:47:21 16 until today, did you ever come to the conclusion
11:47:24 17 yourself that the agreement that you had reached
11:47:29 18 with Google was -- was unethical in any respect?

11:47:36 19 A. No. In fact, the Consent Decree, which still
11:47:40 20 allows it, validates my thinking that it was very fair.

11:47:44 21 Q. During that time, did you ever come to the
11:47:47 22 personal conclusion that it was wrong to withhold
11:47:58 23 information regarding the fact of that agreement from
11:48:03 24 any employees at Intel?

11:48:05 25 A. No. Because if someone wanted to go to work at

11:48:08 1 Google, they certainly had every ability to. The jobs
11:48:11 2 were posted. The recruiters were widely available. We
11:48:17 3 had no policy or means of policing the policy, the
11:48:22 4 agreement that we talked about, and people left Intel in
11:48:26 5 large numbers to go to Google. So I don't think there
11:48:28 6 were any ethics -- any ethics that -- at risk there.

11:48:38 7 Q. Now, would you turn back to what was previously
11:48:42 8 marked as Exhibit 166. It's the Final Judgment. I
11:48:45 9 think you have the Competitive Impact Statement in front
11:48:48 10 of you.

11:48:49 11 A. Yeah.

11:48:54 12 Q. Do you have that document in front of you?

11:48:55 13 A. I do.

11:48:56 14 Q. Could you turn to page 5, to the section which
11:48:59 15 is Roman IV, Prohibited Conduct. Do you have that in
11:49:04 16 front of you?

11:49:04 17 A. Yes.

11:49:05 18 Q. And if you will read along with me it says,
11:49:08 19 "Each defendant is enjoined from attempting to enter
11:49:10 20 into, entering into, maintaining or enforcing any
11:49:14 21 agreement with any other person to in any way refrain
11:49:20 22 from, requesting that any person in any way refrain
11:49:24 23 from, or pressuring any person in any way to refrain
11:49:27 24 from soliciting, cold calling, recruiting, or otherwise
11:49:31 25 competing for employees of the other person."

02:02:46 1 would.

02:02:46 2 Q. Fair enough. Now, going back for a second, do
02:02:58 3 you believe that -- are you aware whether or not at any
02:03:04 4 time Intel tried to track or report on where or which
02:03:14 5 companies Intel employees left for?

02:03:17 6 A. That's the question you asked me before. I
02:03:19 7 don't know. Like I said, sometimes people don't tell
02:03:22 8 you. So whether they aggregate it or whether they take
02:03:26 9 judgment on it, I can't answer.

02:03:31 10 Q. If Intel did try to study that, would that also
02:03:35 11 be something you would expect to be done by the HR
02:03:39 12 department?

02:03:40 13 A. Yes.

02:03:40 14 Q. Okay. Now, going back for a second to the
02:03:53 15 materials you saw regarding Intel that you saw when you
02:03:57 16 were at -- when you participated on the Google board.

02:04:01 17 A. Yes.

02:04:03 18 Q. Can you tell me generally whether the amount of
02:04:11 19 employees that left Intel for Google declined or
02:04:17 20 increased in a material way over the years? Was there
02:04:21 21 ever any trend that you can remember?

02:04:23 22 A. I -- I mean, it's not something I ever tracked
02:04:25 23 or reported on. So as I read the book, it -- it popped
02:04:29 24 up. I know we were not in the top two companies, kind
02:04:33 25 of watched that. We were always sort of in the top 10,

02:04:37 1 12 companies.

02:04:38 2 Q. That's what I was curious about. Were there
02:04:40 3 ever times when you thought, well, jeez, this is really
02:04:43 4 something, a lot of people are leaving Intel for Google?

02:04:46 5 A. Well, not really. Because, again, as I said we
02:04:48 6 weren't in the top two companies. The top two companies
02:04:51 7 are other software companies, so that makes sense that
02:04:53 8 Google would hire a lot of other software people into a
02:04:56 9 software company.

02:04:57 10 We don't have, in the grand scheme of things,
02:04:59 11 that many software people, and Google is not going to
02:05:02 12 hire chip designers or, you know, manufacturing people,
02:05:05 13 which is half our employment base. So the numbers
02:05:09 14 were -- you know, my recollection is the biggest year
02:05:14 15 was [REDACTED] and the smallest year was [REDACTED]
02:05:18 16 Something like that.

02:05:19 17 Q. And it kind of bounced around in between those
02:05:21 18 numbers over time?

02:05:22 19 A. I think so. But since I wasn't writing them
02:05:25 20 down and tracking it, I didn't really -- I never did
02:05:27 21 anything with it.

02:05:28 22 Q. Okay. Can you recall -- you mentioned that
02:05:32 23 there were one or two companies that were software
02:05:36 24 companies that you remember seeing at the top of this
02:05:38 25 report that was prepared at Google, correct?

02:05:40 1 A. Yes.

02:05:41 2 Q. Which companies were those?

02:05:43 3 A. I don't know that I'm allowed to reveal that.

02:05:47 4 It was -- it's -- I think it's Google proprietary
02:05:50 5 information.

02:05:51 6 Q. Well --

02:05:52 7 A. So I think you should ask one of the Google
02:05:53 8 people that information.

02:05:54 9 Q. Well, I think I'm entitled to the answer from
02:05:57 10 you. If you -- I'm happy that -- if you want to consult
02:06:00 11 at a break about it. You don't need to do it now. We
02:06:03 12 can come back to it.

02:06:05 13 MR. PICKETT: Let's come back to it.

02:06:06 14 MR. SAVERI: I don't think it's protected, but
02:06:08 15 I don't want to hold things up.

02:06:09 16 MR. PICKETT: Sure.

02:06:10 17 (Whereupon, Exhibit 456 was marked for
02:06:10 18 identification.)

02:06:34 19 MR. SAVERI: Q. Sir, I'm handing you
02:06:36 20 what's been marked as 456. It's a two-page document
02:06:42 21 with the Bates Nos. 76613DOC001638 through 1639.

02:06:52 22 Do you have that in front of you?

02:06:53 23 A. Yes, I do.

02:06:54 24 Q. Do you recognize the document?

02:06:56 25 A. All but the graphic in the middle.

02:16:50 1 programmers after this agreement?

02:16:51 2 A. Google?

02:16:52 3 Q. Excuse me. Do you know whether VMwear hired
02:16:55 4 any Intel programmers after this?

02:16:57 5 A. I don't know.

02:16:59 6 Q. Okay. We're about to run out of tape, so let's
02:17:05 7 stop. We can either sit here and wait until they --
02:17:08 8 it's going to take a couple minutes. I'm fine with
02:17:11 9 waiting.

02:17:12 10 MR. PICKETT: Sure.

02:17:12 11 MR. SAVERI: Unless you need to take a --
02:17:13 12 stretch your legs or something.

02:17:17 13 THE VIDEOGRAPHER: This is the end of video
02:17:18 14 No. 2. We are now off the record at 2:17.

02:17:25 15 (Recess taken.)

02:19:00 16 THE VIDEOGRAPHER: We are now on the record at
02:19:02 17 2:19. This is the beginning of video No. 3.

02:19:21 18 (Whereupon, Exhibit 458 was marked for
02:19:21 19 identification.)

02:19:37 20 MR. SAVERI: Q. Mr. Otellini, I've handed
02:19:38 21 you what's been marked as Exhibit 458.

02:19:41 22 Do you have that in front of you?

02:19:42 23 A. I do.

02:19:43 24 Q. It has the Bates No. 76616DOC007593 through
02:19:51 25 7595. Draw your attention to the top of the first page

02:19:57 1 which is an email from you to Gabrielle Thompson, Patty
02:20:01 2 Murray, dated September 6th, 2007.

02:20:08 3 Will you take a moment to review it, please.

02:20:15 4 A. Yes. This is -- this looks funny to me.

02:20:20 5 Q. Okay.

02:20:20 6 A. I think it looks like things have been cut out.

02:20:25 7 Q. Well, okay. Maybe we should go through it. I
02:20:27 8 mean, the copy -- certainly the part where it says
02:20:30 9 redacted --

02:20:31 10 A. Well, no, up top, even where it says Otellini
02:20:34 11 doesn't have my name. And I don't know if -- who the
02:20:38 12 "yes" is from or what it -- is that -- I usually sign my
02:20:43 13 name, so -- it's not the font I use. So it just doesn't
02:20:47 14 look familiar. Other parts of the email look familiar.

02:20:50 15 Q. Well, maybe we can work through it. I'm just
02:20:52 16 working with what I was given.

02:20:54 17 So -- well, let me just start at the top of the
02:21:08 18 first page where it says "From" and it just has your
02:21:11 19 last name, Otellini.

02:21:13 20 Do you see that?

02:21:14 21 A. I do.

02:21:17 22 Q. Is it your testimony that you did not write
02:21:19 23 that email to Gabrielle Thompson?

02:21:21 24 A. It is not familiar nor consistent with a
02:21:26 25 document I reviewed that had my real response. My full

02:21:29 1 response on it.

02:21:30 2 Q. Okay.

02:21:31 3 A. So I can't look at -- this feels like it's out
02:21:33 4 of context to me.

02:21:35 5 Q. I'm just trying to figure out whether you
02:21:37 6 believe you wrote it or not.

02:21:39 7 A. I don't know.

02:21:40 8 Q. Okay.

02:21:41 9 A. It's -- I saw a document that I know I wrote
02:21:45 10 yesterday that has everything but this top line and a
02:21:47 11 different header and a different response. So what this
02:21:51 12 is, and where it came from, I can't help you with.

02:21:58 13 Q. So let me just tell you, the Bates numbers
02:22:03 14 indicate that Intel produced it to us. So let me just
02:22:06 15 ask you a couple questions about it and see where we go.

02:22:17 16 Let's just flip to the last page of the
02:22:19 17 document. At the bottom of the document there is a
02:22:30 18 little message or an email from looks like Gary Qin,
02:22:38 19 Q-U-I-N (sic), to Gabrielle Thompson, dated Wednesday,
02:22:43 20 September 5th, 2007. Starts at the bottom of the second
02:22:46 21 page and continues over to the top of the third page.

02:22:49 22 A. Yes.

02:22:53 23 Q. Well, first of all, do you know who Gary Quin
02:22:55 24 is or Qin?

02:22:58 25 A. No.

02:42:03 1 Q. Now, if you'll look at Exhibit 202.

02:42:07 2 A. Yes.

02:42:07 3 Q. Do you have that in front of you?

02:42:09 4 A. I do.

02:42:11 5 Q. And if you look at the top of that email, there

02:42:13 6 is an email to Gabrielle Thompson indicated sent by you

02:42:21 7 dated Thursday, September 6th, 2007 at --

02:42:26 8 MR. PICKETT: To Thompson and Murray.

02:42:29 9 MR. SAVERI: Correct.

02:42:29 10 Q. -- at 7:41 p.m., so approximately 40 minutes

02:42:32 11 after the previous response.

02:42:34 12 A. Yes.

02:42:35 13 Q. Did you write this email, that is, the email

02:42:40 14 that's time stamped at 7:41 p.m. on September 6th, 2007,

02:42:46 15 to Ms. Thompson?

02:42:48 16 A. Yes, I did. It's got my font. My name is on

02:42:50 17 it, so....

02:42:52 18 Q. Okay. Now, thank you. I appreciate your

02:42:55 19 patience with that.

02:43:02 20 You write, "Let me clarify. We have nothing

02:43:06 21 signed."

02:43:06 22 Do you see that?

02:43:07 23 A. Yes.

02:43:08 24 Q. And, "We have a handshake 'no recruit' between

02:43:14 25 Eric and myself."

02:43:16 1 Do you see that?

02:43:17 2 A. Yes, I do.

02:43:18 3 Q. Is that, to the best of your recollection, an
02:43:21 4 accurate statement of the understanding or the
02:43:25 5 communications that you had with Mr. Schmidt?

02:43:28 6 A. It's accurate, but I realize in the context of
02:43:32 7 this note it's ambiguous. I was simply reiterating to
02:43:37 8 her, clarifying to her, that what I believe was the only
02:43:40 9 agreement we have, which was between Intel and Google on
02:43:47 10 collaborative -- deep collaborative engineering
02:43:50 11 activities.

02:43:50 12 And I realize she's asking me the other side of
02:43:54 13 that question which is is there anything that prohibits
02:43:57 14 Intel from recruiting from Google. And the answer would
02:43:59 15 be no, if I had been more precise about my answer.

02:44:03 16 Q. But first you said "Yes," and then in your
02:44:08 17 second, 202, you don't say no.

02:44:11 18 A. Well, I don't know that I said yes.

02:44:13 19 Q. Fair enough, sir, let's focus on 202.

02:44:16 20 A. But I'm certainly saying let me clarify, and I
02:44:18 21 outlined the agreement we did have. And I realized I'm
02:44:21 22 still not answering precisely her question, I'm
02:44:23 23 answering the other side of it, which to me was the only
02:44:26 24 agreement we have.

02:44:27 25 Q. Now, when you say we have a handshake, what did

02:44:30 1 you mean by that? Did you actually ever shake

02:44:34 2 Mr. Schmidt's hand?

02:44:35 3 A. No.

02:44:35 4 Q. It's a figure of speech?

02:44:36 5 A. Yes.

02:44:44 6 Q. But would you agree that when you used

02:44:46 7 "handshake," it was a shorthand for an agreement?

02:44:49 8 A. It was the agreement that we talked about this

02:44:52 9 morning where I asked Eric on those specific instances

02:44:56 10 and he said, yes, I think that's fair.

02:44:59 11 Q. And then you write, "I would not like this

02:45:01 12 broadly known."

02:45:03 13 Do you see that?

02:45:04 14 A. Yes.

02:45:05 15 Q. Why did you tell Ms. Thompson that you did not

02:45:09 16 want this broadly known?

02:45:10 17 A. Because it had nothing to do with her. It was

02:45:13 18 something that I had asked Google to do in terms of

02:45:17 19 their recruitment of Intel people in areas where we had

02:45:21 20 deep collaboration. Gaby, as a recruiter, would have

02:45:26 21 nothing to do with that.

02:46:16 22 Q. Did you ever come to think that the fact that

02:46:18 23 you didn't have anything written down with Mr. Schmidt

02:46:22 24 created a fair amount of ambiguity about exactly what

02:46:25 25 the understanding was between the two companies?

02:46:30 1 A. Not particularly. Remember, this was one way,
02:46:37 2 right? So there was nothing for Intel people to
02:46:39 3 understand, per se. And on their side, it was his to be
02:46:44 4 able to manage whatever he wanted to do on the Google
02:46:47 5 side to ensure that where we're collaborating, they
02:46:50 6 didn't go after our folks.

02:46:52 7 Q. Well, I mean, but there were a number of emails
02:46:55 8 subsequent to the time that you had this communication
02:46:58 9 with Mr. Schmidt where people who reported to you at
02:47:02 10 Intel were confused and incorrect about what the
02:47:07 11 agreement was.

02:47:08 12 MR. PICKETT: Number of emails you are
02:47:11 13 referring to, what are you referring to?

02:47:13 14 MR. SAVERI: The ones I've shown you today.

02:47:16 15 MR. PICKETT: There is only one, I think.
02:47:17 16 That's a number, I agree, but usually when we say there
02:47:19 17 is a number, that means there is a lot.

02:47:25 18 So I object it's ambiguous and no foundation.

02:47:31 19 MR. SAVERI: Q. Well, did you ever -- did
02:47:34 20 you ever consider whether or not it would be better
02:47:40 21 and would limit the ambiguity, which you've just
02:47:45 22 identified or responded to in this email about, if
02:47:49 23 you actually reduced this to writing?

02:47:52 24 A. Not particularly. Again, the ambiguity here
02:47:55 25 was mine as part of a quick response.

03:08:14 1 Q. Is it fair to say, then, with this email you
03:08:17 2 informed Ms. James what Mr. Schmidt had told you about
03:08:20 3 Google's policy with respect to recruiting from Intel?

03:08:24 4 A. Well, apparently. But we've also established
03:08:26 5 that somehow, whether I told her or Richard told her
03:08:29 6 prior to this, a year prior to this, that she probably
03:08:33 7 knew.

03:08:39 8 Q. Now, she writes back to you, "I will find
03:08:41 9 out...it has been a world wide phenomenon."

03:08:44 10 Do you see that?

03:08:45 11 A. Yes.

03:08:46 12 Q. Then she says, "Let me get the data. I always
03:08:48 13 ask - did we ping them or visa versa. R."

03:08:59 14 Does that indicate to you or refresh your
03:09:02 15 recollection that she knew for some time that there was
03:09:06 16 an agreement between Google -- well, strike that.

03:09:09 17 Does that refresh -- strike that.

03:09:13 18 Let me withdraw the question.

03:09:17 19 Did Renee James ever tell you who called in?

03:09:27 20 A. Not that I remember.

03:10:18 21 Q. Subsequent to Exhibit 462, did Eric Schmidt or
03:10:21 22 Laszlo Bock or anybody at Google tell you that they had
03:10:26 23 followed up and done an internal investigation regarding
03:10:31 24 the issues that Renee James raised with you and that you
03:10:35 25 passed on to Mr. Schmidt?

03:10:36 1 A. No.

03:10:37 2 Q. Did they ever tell you -- did Google ever tell
03:10:42 3 you that Google's recruiters were strictly following the
03:10:47 4 do-not-call policy regarding Intel --

03:10:49 5 A. Well "they" who? Laszlo?

03:10:51 6 Q. Let me try to ask a different question.

03:10:53 7 A. Sorry.

03:10:55 8 Q. Did Eric Schmidt or Laszlo Bock or anybody at
03:10:59 9 Google tell you that they had done an investigation
03:11:04 10 internally at Google and confirm that Google's
03:11:12 11 recruiters were strictly following the do-not-call
03:11:16 12 policy regarding Intel?

03:11:21 13 A. I don't remember.

03:11:21 14 Q. Did Laszlo Bock or Eric Schmidt or anybody at
03:11:24 15 Google ever tell you that they had done an internal
03:11:28 16 investigation and confirmed that no one has called,
03:11:32 17 networked, or emailed into Intel or its subsidiaries
03:11:36 18 looking for talent?

03:11:38 19 A. They may have. I don't know.

03:11:39 20 Q. Okay. Do you know Arnon Geshuri?

03:11:59 21 A. No.

03:11:59 22 Q. You've never spoken to the man?

03:12:00 23 A. No. Not that I know.

03:12:02 24 Q. Okay. You joined the Google board in 2003; is
03:12:49 25 that correct?

03:12:49 1 A. Yes.

03:12:51 2 Q. Upon your joining the Google board, did you
03:12:59 3 immediately suggest collaborations between the two
03:13:02 4 companies?

03:13:03 5 A. Probably. I know they were a relatively small
03:13:07 6 customer, but growing. But I'd also met with Google
03:13:11 7 prior to my being on the board several times.

03:13:14 8 Q. Okay. Were there particular collaborations
03:13:17 9 that you suggested immediately upon joining the Google
03:13:20 10 board?

03:13:21 11 A. I may have. I don't know.

03:13:22 12 Q. And is it --

03:13:23 13 A. I remember that they wanted to tap into our
03:13:26 14 knowledge on how we scaled our company up, and they
03:13:30 15 wanted information from our finance teams and HR teams,
03:13:35 16 maybe the legal team as well, on just how companies
03:13:38 17 grow. And we made our experts in those areas available
03:13:43 18 to them.

03:13:44 19 In terms of engineering, I know there was work,
03:13:47 20 because we talked about it this morning, in the '05 time
03:13:50 21 frame about the software collaboration. And in the time
03:13:54 22 frame '03 to '05, we were -- most of the engineering
03:13:58 23 collaboration was around building motherboards for them
03:14:02 24 to run their data centers.

03:14:04 25 Q. And to the best of your recollection, was the

03:14:06 1 collaboration during that 2003/2005 period limited to
03:14:10 2 the work done in connection with the motherboards for
03:14:13 3 data centers?

03:14:14 4 A. Well, in addition to the other stuff I just
03:14:17 5 talked about in terms of how do companies grow, what are
03:14:20 6 your systems like. Google was a startup, still, and
03:14:24 7 trying to figure out how to become a global company.

03:14:34 8 Q. When did you begin discussing customized energy
03:14:42 9 efficient chips that you believed Intel could --

03:14:46 10 A. Wasn't energy efficient chips, per se, it was
03:14:48 11 energy efficient data centers so it was not just the
03:14:51 12 chips. Went beyond that. That started out in the '05
03:14:54 13 time frame and came to fruition with announcement
03:14:58 14 probably '06, '07, '08 time frame on the -- energy
03:15:05 15 savers? I can't remember the name.

03:15:07 16 Q. Climate Savers?

03:15:09 17 A. Climate Savers. Thank you.

03:15:10 18 Do you have the date on that?

03:15:11 19 Q. No, I don't. That's why I was asking.

03:15:16 20 A. Yeah. It's in the probably '06, '07, '08
03:15:21 21 window.

03:15:22 22 Q. Did Google and Intel collaborate in connection
03:15:37 23 with a company called Clearwire?

03:15:40 24 A. We each invested in Clearwire, along with other
03:15:43 25 companies.

04:06:14 1 employees and current employees. We have lost [REDACTED] of the
04:06:17 2 last [REDACTED] candidates with offers from both firms, [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
04:06:25 5 Do you see that?

04:06:25 6 A. Yes, I do.

04:06:27 7 Q. At this time, did you believe -- were you
04:06:36 8 convinced that Facebook was increasingly winning against
04:06:38 9 Google in hiring new employees?

04:06:42 10 A. I agree with the data here.

04:06:46 11 Q. Did you agree that at this time Facebook was a
04:06:51 12 strong competitor with respect to hiring Google
04:06:59 13 employees?

04:06:59 14 A. They were certainly recruiting people from
04:07:02 15 Google along with other startups. I mean, if you go
04:07:05 16 back to the beginning of the note it talks about the
04:07:08 17 context of Facebook and other -- other startups in the
04:07:12 18 valley.

04:07:12 19 Q. Is it fair to say, though, that at this time
04:07:14 20 Facebook was a prominent startup at the time?

04:07:19 21 A. It was -- it was a prominent startup -- it was
04:07:22 22 a well-known startup at the time, but it wasn't the only
04:07:25 23 one that Google was losing employees to.

04:07:30 24 Q. But you would agree with me that Laszlo Bock's
04:07:34 25 email to you focuses on Facebook?

04:07:37 1 A. No. He's making a general argument. He starts
04:07:41 2 out talking about the paragraph above it, people getting
04:07:44 3 [REDACTED] from startups. So
04:07:47 4 he's making a general argument about the war for talent
04:07:52 5 in the Valley.

04:07:54 6 Q. Now, did you believe it was in Google's
04:08:33 7 interest to increase compensation to its employees and
04:08:35 8 others in order to retain them in light of these
04:08:40 9 circumstances, including the competitive thread of
04:08:43 10 startups, including Facebook?

04:08:45 11 A. Yes, I did. And I ended up voting for a
04:08:48 12 variant of this proposal.

04:08:49 13 MR. PICKETT: And just to clarify, you say to
04:08:52 14 its employees. [REDACTED]

[REDACTED] ?

04:08:56 16 MR. SAVERI: Yeah, and the general market
04:08:57 17 conditions that Mr. Otellini alluded to that Mr. Bock
04:09:00 18 describes.

04:09:02 19 You can -- you can put that aside.

04:09:46 20 (Whereupon, Exhibit 468 was marked for
04:09:46 21 identification.)

04:09:47 22 MR. SAVERI: I've handed you Exhibit 468, it
04:09:51 23 has the Bates Nos. Google 00257207 through 210.

04:10:01 24 Again, it's a -- it's quite a complicated and
04:10:04 25 dense email. I want to ask you about the portions of

04:10:08 1 this that communicated to you -- well, unfortunately
04:10:16 2 most of it is.

04:10:25 3 In particular, I want to ask you about the
04:10:26 4 portion of the email -- about the portion of the
04:10:29 5 document which is Mr. Schmidt's email to you that starts
04:10:31 6 on the bottom of page 1 and continues over to page 2.
04:10:36 7 And I guess your preceding response.

04:11:20 8 A. Okay.

04:11:22 9 Q. Well, let me do it this way: At the bottom of
04:11:36 10 page 2, Mr. Bock writes to you and Mr. Levinson and Eric
04:11:40 11 Schmidt and others a long email regarding specific grant
04:11:44 12 proposals.

04:11:44 13 Do you see that?

04:11:45 14 A. Yes.

04:11:46 15 Q. And you write back on December 12, 2007 asking
04:11:51 16 two questions.

04:11:51 17 Do you see that?

04:11:52 18 A. Yes.

04:11:55 19 Q. And in item two you write, "I worry that we
04:12:06 20 will be in a situation of constant reaction."

04:12:10 21 Do you see that?

04:12:11 22 A. Yes.

04:12:12 23 Q. Can you explain to me what that -- what you
04:12:16 24 were worried about?

04:12:19 25 A. Well, we had -- they had proposed a very large

04:12:22 1

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED].

04:12:37 5

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED] And

04:12:58 12

Eric answers that above.

04:12:59 13

Q. And his answer, in part, let me draw your

04:13:02 14

attention to it, is the paragraph that begins, "Our

04:13:04 15

ongoing policy."

04:13:05 16

Do you see that?

04:13:05 17

A. I do.

04:13:06 18

Q. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:13:19 22

Do you see that?

04:13:20 23

A. Yes.

04:13:25 24

Q. What did you understand him to mean by "break

04:13:28 25

the Facebook recruiting"?

04:13:31 1 MR. RUBIN: Objection. Calls for speculation.

04:13:34 2 THE WITNESS: I interpreted this whole thing as
04:13:38 3 being [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:13:52 7 MR. SAVERI: Q. And at least with respect
04:13:52 8 to this specific request, you consented, correct?

04:13:56 9 A. Yes, I did.

04:13:57 10 Q. And did you do that in order -- did you do that
04:13:59 11 because you believed it was necessary to keep the -- the
04:14:10 12 talent from going to Facebook?

04:14:13 13 A. I'm only -- I'm only responding to two specific
04:14:16 14 individuals. So we looked at the -- the names have been
04:14:20 15 redacted here, [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:14:37 20 Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:14:53 1 A. Well, people that had noticed that said they
04:14:56 2 wanted to go to another company somewhere. I don't
04:14:59 3 think these were both Facebook. That wasn't clear.
04:15:03 4 One is, and the other was ambiguous.

04:15:28 5 Q. While you were participating in the LDCC, did
04:15:32 6 this process or effort to match -- excuse me. Or to
04:15:40 7 address departures from Google to other companies,
04:15:49 8 including Facebook, continue?

04:15:53 9 A. Yes. But again, it was -- the comp committee
04:15:58 10 [REDACTED]
[REDACTED] What the management team
04:16:05 12 was doing below that, I'm not sure I know.

04:16:07 13 Q. Okay. [REDACTED]
[REDACTED]
[REDACTED] --

04:16:23 16 A. Well, no, [REDACTED]
[REDACTED]
[REDACTED]

04:16:32 19 Q. In the context of those discussions, did -- or
04:16:35 20 I guess discussions you attended at the -- at the board
04:16:39 21 generally, did you participate in any discussions
04:16:44 22 regarding Google's increasing compensation to lower-paid
04:16:50 23 employees to address competitive threats from Facebook
04:16:54 24 and other companies in the market?

04:16:56 25 A. Well, there was a proposal that went to the

04:16:59 1 full board on changing the cash compensation composition
04:17:07 2 to all employees. And that was meant to satisfy their
04:17:13 3 employees' request for more money in the bank each month
04:17:16 4 versus bonus, and to raise the overall compensation
04:17:19 5 from, target to philosophy, of being I think it's [REDACTED]

[REDACTED] [REDACTED]
04:17:24 7 [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED].

04:17:35 11 Q. When was that?

04:17:36 12 A. Well, it was after these, but not that long
04:17:38 13 after. I think it was probably 2009, 2008 time frame.

04:17:44 14 Q. Is that different than the -- than Google's
04:17:48 15 effort to make a 10 percent across the board --

04:17:52 16 A. That's the process I'm talking about. It
04:17:54 17 wasn't a 10 percent across the board comp increase.
04:17:56 18 Remember, it was a 10 percent change to base salary with
04:18:00 19 a corresponding reduction in bonus.

04:18:04 20 Q. And that's also what's been referred to
04:18:07 21 colloquially as the big bang?

04:18:12 22 A. Yes, it is.

04:18:12 23 Q. Now, going back to 469 -- excuse me. Excuse
04:18:16 24 me.

04:18:16 25 I had it in front of me and didn't give it to

04:18:18 1 you. I'm sorry. I apologize.

04:18:20 2 (Whereupon, Exhibit 469 was marked for
04:18:20 3 identification.)

04:18:27 4 MR. PICKETT: He needs to put a sticker on it.

04:18:31 5 MR. SAVERI: I'm sorry. I was doing things too
04:18:33 6 quickly.

04:18:35 7 Q. So do you have 469 in front of you?

04:18:46 8 A. This is now June.

04:18:48 9 Q. At the top of the chain, just so we're clear,
04:18:49 10 is an email from Art Levinson to Laszlo Bock dated
04:18:54 11 June 9, 2008, and the recipients are you, Eric Schmidt,
04:19:09 12 Bill Campbell, Shona Brown.

04:19:10 13 (Reporter clarification.)

04:20:33 14 THE WITNESS: Okay. I think I've got the gist
04:20:36 15 of it.

04:20:37 16 MR. SAVERI: Q. Let me take you up from
04:20:40 17 the back to the front of the document. The first
04:20:43 18 part of the chain is an email from Laszlo Bock to
04:20:46 19 Art Levinson, yourself, Eric Schmidt, Bill Campbell,
04:20:52 20 Shona Brown, Frank Wagner and others.

04:20:54 21 Do you see that?

04:20:55 22 A. Yes.

04:20:56 23 Q. Now, Mr. Bock writes, "Art & Paul," that's
04:20:59 24 Mr. Levinson and yourself, correct?

04:21:01 25 A. Yes.

04:22:31 1

Q. [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

04:22:57 8

Q. So do you agree that that was unusual?

04:23:04 9

A. Well, it was -- it was consistent with the

04:23:06 10

whole philosophy around the [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] So it's not unusual from that

04:23:20 13

perspective.

04:23:22 14

Q. Did Intel ever make preemptive grants in order

04:23:26 15

to retain people?

04:23:27 16

A. I suspect back in the days when there were lots

04:23:31 17

of semiconductor startups we would have done that.

04:23:33 18

Q. But by the time you took the helm of the

04:23:35 19

company --

04:23:36 20

A. By the time Andy Grove took the helm of the

04:23:39 21

company. Because the days of semiconductor startups

04:23:41 22

were the '70s.

04:23:43 23

Q. So that was a thing of the past by the time you

04:23:45 24

had come to Intel --

04:23:46 25

A. By then we were a big mature company and a big

04:23:49 1 mature industry.

04:23:50 2 Q. If you turn to page 2 of the -- of the -- of
04:23:55 3 the email, I'm just kind of skipping ahead. There is
04:23:58 4 another email from Mr. Bock to you and Mr. Levinson.
04:24:06 5 And there is a reference to an OSO director.

04:24:09 6 A. Yes.

04:24:10 7 Q. Was that [REDACTED] do you recall?

04:24:13 8 A. I don't recall.

04:24:21 9 Q. In substance, [REDACTED]
[REDACTED] that a fair summary?

04:24:28 11 A. I'm sorry. Are you on the middle one here?

04:24:30 12 Q. Yes.

04:24:37 13 MR. PICKETT: Your question means approve,
04:24:38 14 not --

04:24:39 15 MR. SAVERI: Oh, excuse me.

04:24:41 16 MR. PICKETT: -- personally to raise her comp.

04:24:49 17 MR. SAVERI: I'm sorry. Let me ask the
04:24:50 18 question again.

04:24:51 19 MR. PICKETT: Sure.

04:24:51 20 MR. SAVERI: Q. Is it fair to say that the
04:24:53 21 point of Mr. Bock's message was to [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

04:25:07 25 A. It's hard -- I really have a hard time, because

04:25:09 1 of the redactions, if this whole paragraph talks about a
04:25:14 2 single person or multiple people. The top part talks
04:25:17 3 about the fact [REDACTED]

[REDACTED] [REDACTED]hen it shifts to talking about another she. Or
04:25:24 5 maybe the same she. And then it says that someone
04:25:27 6 intends -- [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED] So I think it's
04:25:36 9 all the same person, but I can't -- I can't put all the
04:25:39 10 pieces together.

04:25:40 11 Q. Fair enough. But whatever it was, you agreed
04:25:42 12 to it?

04:25:43 13 A. Yes.

04:25:43 14 Q. Okay. And if you flip ahead in the document,
04:25:48 15 is it also fair to say that at least in this situation,
04:25:54 16 Google's efforts were successful because the person
04:25:58 17 decided to stay at Google?

04:26:01 18 A. If that's the same person, yes. That's, again,
04:26:05 19 redacted.

04:26:07 20 MR. SAVERI: You can put that aside.

04:26:29 21 I'm sorry I've blown through all the numbers.
04:26:30 22 What's the next?

04:26:31 23 MR. PICKETT: 470.

04:26:34 24 (Whereupon, Exhibit 470 was marked for
04:26:34 25 identification.)

04:26:36 1 MR. SAVERI: Q. I've handed you what's
04:26:37 2 been marked as 470. It has the Bates numbers
04:26:53 3 GOOG-HIGH-TECH-00455027 through 35.

04:27:08 4 It's rather a long document. I'm going to ask
04:27:11 5 you about the portions of it that refer to you by name,
04:27:15 6 and then in particular the portions that are on page 2,
04:27:23 7 Summary of Key Guidance. And then there is a section on
04:27:27 8 page 4 that talks about Talent Retention and Attraction.

04:27:35 9 A. Well, you want me to read all that first?

04:27:38 10 Q. I think you should read whatever you think you
04:27:40 11 need to be comfortable with the document.

04:27:41 12 A. I don't remember the document, so it's --

04:27:44 13 Q. Okay.

04:27:44 14 A. -- it will take a while.

04:32:12 15 Okay.

04:32:12 16 Q. Have you had a chance to review the document?

04:32:14 17 A. I have.

04:32:15 18 Q. Now, at the top of the first page, the title of
04:32:20 19 the document says Minutes of a Regular Meeting of the
04:32:24 20 Leadership Development and Compensation Committee of the
04:32:26 21 Board of Directors of Google Inc. October 14th, 2009.

04:32:31 22 Do you see that?

04:32:32 23 A. I do.

04:32:35 24 Q. Is this an example of minutes of an LDCC
04:32:39 25 meeting that you attended?

05:11:08 1 3308.

05:11:23 2 And Mr. Otellini, I'll just tell you the
05:11:25 3 question I'm going to ask. I just want to know if this
05:11:27 4 is the revised compensation proposal that was also known
05:11:36 5 as the big bang that was approved by the Google board?

05:12:01 6 A. I think so.

05:12:03 7 Q. Now, the top of the -- the top of the email in
05:12:08 8 the Summary says, "On 13-October-2010, we presented a
05:12:12 9 compensation philosophy proposal to the LDCC and full
05:12:16 10 Board."

05:12:16 11 Do you see that?

05:12:17 12 A. Yes.

05:12:18 13 Q. Did the LDCC meet on that date?

05:12:21 14 A. Well, if that's a board meeting, there is
05:12:24 15 typically an LDCC meeting in the morning.

05:12:26 16 Q. Okay. And just as a matter of corporate
05:12:29 17 governance, is it your recollection that there was an
05:12:32 18 LDCC meeting in the morning to discuss this?

05:12:35 19 A. I think I just answered that question.

05:12:38 20 Q. Was there a full board meeting in the
05:12:40 21 afternoon?

05:12:41 22 A. I'd have to check my calendar. This appears to
05:12:44 23 suggest that was the date.

05:12:46 24 Q. And did you vote in favor of this?

05:12:49 25 A. I don't know that there was a vote. But I was

05:12:55 1 in favor of the program.

05:12:56 2 Q. Was there anybody who participated in the LDCC
05:12:59 3 or the full board who was not in favor of the proposal?

05:13:02 4 A. Not that I remember.

05:14:00 5 (Whereupon, Exhibit 474 was marked for
05:14:00 6 identification.)

05:14:23 7 MR. SAVERI: Q. I've handed you what's
05:14:24 8 been marked as Exhibit 474, Bates No. 76616DOC005972
05:14:34 9 to 973.

05:14:36 10 Draw your attention to the top of the first
05:14:38 11 page which is an email from Laszlo Bock to yourself with
05:14:42 12 copies to Eric Schmidt and Shona Brown and John Doerr
05:14:47 13 dated November 16, 2010.

05:14:48 14 Do you have that in front of you?

05:14:50 15 A. I do.

05:14:51 16 Q. Did you receive this email from Laszlo Bock on
05:14:53 17 or about the date that's indicated?

05:14:56 18 A. Very likely.

05:14:57 19 Q. Do you have any reason to believe you did not?

05:15:01 20 A. No.

05:15:02 21 Q. You can put that aside.

05:15:20 22 Did you believe the big bang was a success?

05:15:23 23 A. I think it's still too soon to tell, but the
05:15:27 24 Google attrition rate in total is very good for the
05:15:32 25 Valley and their industry. So as measured by that, it's

05:15:38 1 gotten better and we've retained a larger fraction of
05:15:41 2 our workforce.

05:15:46 3 (Whereupon, Exhibit 475 was marked for
05:15:46 4 identification.)

05:16:06 5 MR. SAVERI: Q. 475 is an email from
05:16:10 6 Laszlo Bock to a number of individuals including
05:16:17 7 John Doerr, yourself, John Hennessy, Shirley
05:16:20 8 Tilghman and others.

05:16:22 9 And for purposes of the record, it's a document
05:16:27 10 with the Bates number Google 00252681.

05:16:32 11 Do you have that in front of you?

05:16:33 12 A. Yes, I do.

05:16:35 13 Q. Did you receive this email from Mr. Bock on or
05:16:38 14 about this date?

05:16:39 15 A. Probably.

05:16:40 16 Q. Now, were the individuals who were identified
05:16:48 17 here members of the Google board of directors?

05:16:52 18 A. On the -- the "To" line, they are.

05:16:59 19 Q. So in January of 2011, John Hennessy was a
05:17:02 20 member of the Google board, correct?

05:17:04 21 A. Yes.

05:17:05 22 Q. At the time, was he -- that's the John Hennessy
05:17:07 23 who is the president of Stanford?

05:17:09 24 A. Yes.

05:17:10 25 Q. And at this time, Shirley -- is it Tilghman?

05:17:16 1 A. Tilghman.

05:17:18 2 Q. Was she the head of Princeton at the time?

05:17:20 3 A. Yes.

05:17:21 4 Q. And Ram Shriram -- okay. And both Mr. Shriram
05:17:29 5 and Ann Mather were also members of the board?

05:17:32 6 A. Yes.

05:17:32 7 Q. And are the persons -- well, was Mr. Campbell a
05:17:36 8 member of the board at this time?

05:17:37 9 A. No. Nor has he ever been.

05:17:42 10 Q. I understand that. Mr. Schmidt, Larry Page,
05:17:45 11 Sergey Brin, Shona Brown, Kent Walker, at the time they
05:17:49 12 were all employees of Google, correct?

05:17:51 13 A. Yes, they were.

05:17:53 14 Q. Now, Mr. Bock writes, "At the January 12 Board
05:17:56 15 meeting, Sergey," that's Sergey Brin, "asked that we
05:17:59 16 provide the Board the number of hires we have made from
05:18:01 17 Facebook and Twitter, and that we include those data in
05:18:04 18 the Board materials going forward."

05:18:06 19 Do you see that?

05:18:07 20 A. Yes.

05:18:07 21 Q. And then there are some statistics set forth
05:18:09 22 regarding that subject.

05:18:10 23 Do you see that?

05:18:11 24 A. I do.

05:18:12 25 Q. Was it your understanding that this represented

05:18:15 1 an improvement at Google in its efforts to retain or
05:18:22 2 hire employees?

05:18:25 3 A. I don't think this speaks to that. This speaks
05:18:28 4 specifically to employees that came into Google from
05:18:32 5 these firms.

05:18:34 6 Q. Well, prior to this time, had Google been able
05:18:39 7 to recruit employees from these firms at similar levels?
05:18:46 8 Do you recall?

05:18:47 9 A. I don't know. I don't have the data.

05:18:49 10 Q. Was that data that was provided to the Google
05:18:52 11 board? That sort of data?

05:18:56 12 MR. RUBIN: Objection. Vague.

05:18:59 13 THE WITNESS: I don't believe that we'd ever
05:19:01 14 asked for data in terms of hiring into Google from those
05:19:05 15 firms before this January 12th request where Sergey
05:19:10 16 requested it.

05:19:30 17 MR. SAVERI: Q. I'm going to switch
05:19:32 18 subjects for a second. We've talked a couple times,
05:19:43 19 and perhaps more than a couple times today, about
05:19:45 20 something called focal; do you recall that?

05:19:48 21 A. I mentioned the word.

05:19:54 22 Q. What -- can you describe for me generally what
05:19:57 23 focal was with respect to the setting of compensation as
05:20:02 24 a general matter at Intel?

05:20:04 25 A. Focal was the annual review process -- is the

05:20:09 1 annual review process. Every employee in the company,
05:20:12 2 top to bottom, is reviewed, ranked and rated in terms of
05:20:17 3 their performance. A performance assessment evaluation
05:20:21 4 is written and delivered to the employee.

05:20:25 5 As part of that process, people's compensation
05:20:27 6 is reviewed and adjustments are made, promotions are
05:20:33 7 made, performance warnings may be given. A number of
05:20:38 8 things.

05:20:39 9 Q. Was there anyone who worked for Intel whose
05:20:42 10 compensation wasn't part of the focal process?

05:20:47 11 A. Yes. The 16(b) officers.

05:20:50 12 Q. Other than the 16(b) officers, was there
05:20:53 13 anybody whose compensation was not set --

05:21:00 14 A. Through that process? No.

05:21:02 15 Q. And that included you?

05:21:04 16 A. I'm a 16(b) officer.

05:21:05 17 Q. I'm sorry. Fair enough.

05:21:07 18 Now, as the CEO of the company, what was your
05:21:18 19 role in the focal process?

05:21:21 20 A. I would approve the annual budget for the merit
05:21:28 21 increases, approve the annual budget for promotions in
05:21:33 22 terms of cost. We would look at that by major
05:21:39 23 geography, major country, essentially. Look at the
05:21:43 24 number of employees, the data behind that in terms of
05:21:47 25 market movements, attrition, those kinds of things.

05:21:49 1 We'd also look at the overall budget for stock,
05:21:54 2 both options and restricted shares and approve that.
05:22:00 3 That approval I would make, and then it would go -- on
05:22:02 4 the stock would go to the board for final approval. And
05:22:10 5 I would do the direct evaluation and promotion
05:22:16 6 recommendations for my direct staff and for corporate
05:22:19 7 officers.

05:22:28 8 Q. And on an employee-by-employee basis, what were
05:22:31 9 the basic elements of compensation that were set by the
05:22:34 10 focal process?

05:22:35 11 A. Well, nothing on an employee-by-employee
05:22:38 12 basis --

05:22:38 13 Q. That was --

05:22:39 14 A. -- my level. Right?

05:22:40 15 Q. That was a poor question. As part of the focal
05:22:43 16 process, was base compensation set?

05:22:45 17 A. For whom?

05:22:47 18 Q. For --

05:22:49 19 A. For any given employee? By his or her manager,
05:22:53 20 yes.

05:22:55 21 Q. Were salary ranges established for particular
05:23:02 22 employee grades as part of the focal process?

05:23:06 23 A. By job class and grade, yes, the human
05:23:09 24 resources department would have these large ranges of
05:23:12 25 compensation that would vary by country, by degree, by

05:23:18 1 were people working in engineering and nonengineering
05:23:20 2 and so forth. And they would update those -- at least
05:23:25 3 review those and update them as needed.

05:23:28 4 Q. As the CEO, did you have -- was it part of your
05:23:33 5 responsibility to set ranges for particular job
05:23:36 6 categories or job grades as part of the focal process?

05:23:39 7 A. Not -- not -- not for the rank and file. I
05:23:42 8 certainly would be involved in discussing any changes at
05:23:45 9 the executive ranks.

05:23:47 10 Q. So organizationally, who was responsible for
05:23:50 11 setting salary ranges for particular employee grades
05:23:55 12 or --

05:23:57 13 A. You used the word setting. There's an entire
05:24:01 14 compensation department that's looking at, you know, the
05:24:04 15 120 countries in which we operate, what the markets are,
05:24:08 16 gathering data. And that rolls up and is approved by --
05:24:12 17 at various levels in the organization by the various
05:24:15 18 managers who have oversee, whether it's at a certain
05:24:18 19 geography or at a corporate level. Oversight.

05:24:28 20 Q. Was there a particular person or department
05:24:33 21 that was responsible for the focal process? Was it HR?

05:24:38 22 A. HR -- well, HR would manage the process. At
05:24:41 23 the end of the day, the employee's direct manager is the
05:24:45 24 one responsible.

05:24:47 25 Q. Well, in terms of the -- well, would -- as a

05:24:50 1 matter of practice, did the HR department make a
05:24:52 2 recommendation to you as the CEO about -- well, what
05:24:57 3 kind of recommendations would they make to you as part
05:24:59 4 of the focal process?

05:25:01 5 A. Well, I mentioned that already. That was all
05:25:03 6 of -- the overall by country increases in merit and
05:25:08 7 promotion. Budgets. And I talked about the executive
05:25:12 8 ranks and the stock ranks.

05:25:14 9 Q. Was there a particular time of year that the
05:25:15 10 focal process was started in?

05:25:18 11 A. Yes. Two different times of the year. It
05:25:21 12 is -- the focal was delivered in April for all but the
05:25:25 13 officer ranks at the company, and is delivered in
05:25:29 14 January/February for the officer ranks.

05:25:32 15 Q. What is T comp?

05:25:34 16 A. That's a shorthand phrase for total
05:25:36 17 compensation.

05:25:40 18 Q. And was T comp set as part of the focal process
05:25:45 19 too?

05:25:46 20 A. T comp is an individual level number. It
05:25:52 21 includes the individual's base salary, his or her bonus,
05:25:56 22 any of the variable pay packages and the equity grants.
05:26:00 23 So there is no T comp aggregate, except the large number
05:26:04 24 which is our total compensation cost.

05:26:14 25 Q. Now, as a general matter, did you believe that

05:26:24 1 Intel established compensation based upon the market?

05:26:28 2 A. That's been our principle and -- I'm sorry. We
05:26:32 3 established -- we establish the ranges based upon our
05:26:35 4 view of the market, and then we target individuals
05:26:39 5 inside those based upon their experience, performance,
05:26:44 6 time in grade, those kinds of things.

05:27:40 7 (Whereupon, Exhibit 476 was marked for
05:27:40 8 identification.)

05:28:04 9 (Discussion off the record.)

05:28:12 10 MR. SAVERI: Q. Mr. Otellini, I've handed
05:28:22 11 you what's been marked as Exhibit 476. It has the
05:28:23 12 Bates No. 76616DOC000763.

05:28:35 13 The top of the document is an email from you to
05:28:39 14 someone named Mark Fichtner. Do you see that?

05:28:44 15 A. Yes.

05:28:45 16 Q. Did you write this email to Mr. Fichtner?

05:28:48 17 A. Yes, I did.

05:28:49 18 Q. And you say, "Our pay philosophy is
05:28:51 19 straightforward. We pay salary and bonus based upon
05:28:54 20 market. We remain very competitive there."

05:28:57 21 Do you see that?

05:28:58 22 A. Yes.

05:28:58 23 Q. Is that a -- an accurate statement?

05:29:00 24 A. Yes.

05:29:08 25 Q. Now, from time to time, did -- were you

05:52:12 1 Q. But my question, sir, was after you wrote this
05:52:14 2 email, did you ever make any subsequent communication
05:52:18 3 to -- with respect to the subject further clarifying any
05:52:25 4 ambiguity in your response?

05:52:27 5 A. You asked that question, I said no, and then I
05:52:29 6 went on and explained.

05:52:30 7 Q. Now, when did you first -- subsequent to
05:52:46 8 writing your email, did you have any conversation with
05:52:52 9 Ms. Thompson or anybody else about this subject where
05:52:54 10 they raised any questions about what you meant in this
05:52:58 11 email?

05:52:59 12 A. Not that I recall.

05:53:02 13 MR. SAVERI: I think I'm done. I'm certain I'm
05:53:04 14 done.

05:53:05 15 Thank you for your time, sir.

05:53:06 16 THE WITNESS: Good. I think I'm done.

05:53:08 17 MR. PICKETT: Thank you.

05:53:08 18 THE VIDEOGRAPHER: This is the end of video 4
05:53:09 19 of 4 and concludes today's proceedings.

05:53:12 20 The master videos will be retained by Jordan
05:53:13 21 Media.

05:53:15 22 We are now off the record and the time is 5:53.

06:47:44 23 (The deposition concluded at 5:53 PM)

06:47:44 24

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1 I, Gina V. Carbone, Certified Shorthand
2 Reporter licensed in the State of California, License
3 No. 8249, hereby certify that the deponent was by me
4 first duly sworn and the foregoing testimony was
5 reported by me and was thereafter transcribed with
6 computer-aided transcription; that the foregoing is a
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or
9 attorney for either of any of the parties in the
10 foregoing proceeding and caption named or in any way
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of
13 the original transcript will render the reporter's
14 certificates null and void.

15 In witness whereof, I have hereunto set my
16 hand this day: February 1, 2013.

17 _____ Reading and Signing was requested.

18 _____ Reading and Signing was waived.

19 ___X___ Reading and signing was not requested.

20

21

22

23

GINA V. CARBONE

24

CSR 8249, RPR, CCRR

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